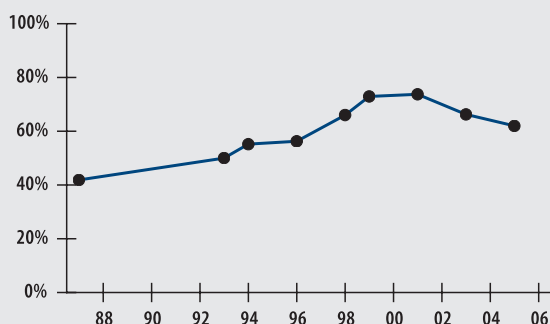
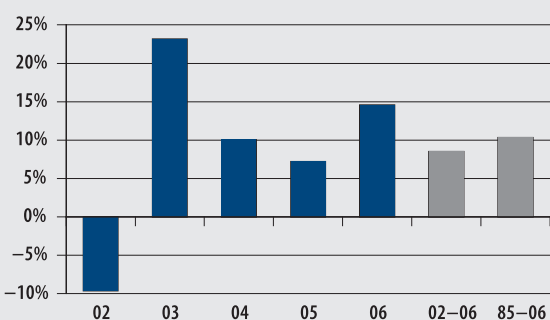


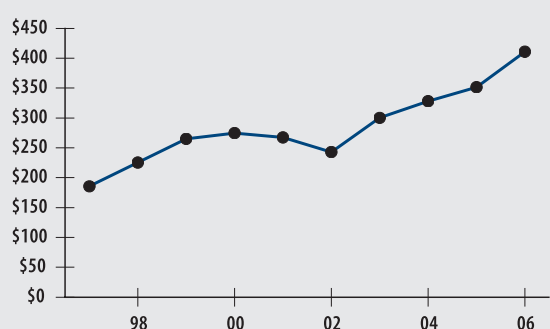
► **Funded Ratio (1987-2006)**



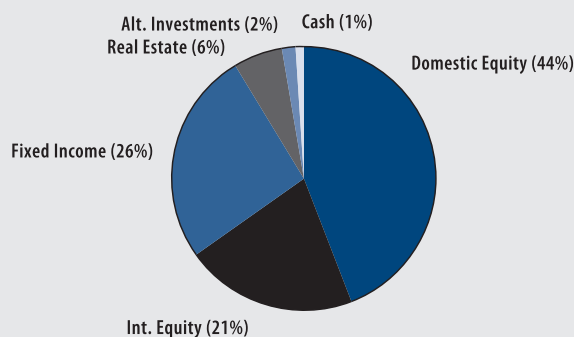
► **Investment Return (2002-2006, 5 Year and 22 Year Averages)**



► **Asset Growth (1997-2006) (Market Value in Millions)**



► **Asset Allocation (12/31/06)**



► **ACTUARIAL**

• Funded Ratio	62.4%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$201.4 M
• Total Pension Appropriation (Fiscal 2007)	\$24.3 M

	Active	Retired
• Number of Members	3,942	1,883
• Total Payroll/Benefit	\$135.0 M	\$26.6 M
• Average Salary/Benefit	\$34,200	\$14,100
• Average Age	NA	71
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Earnest Partners, LLC
- INTECH Large Cap Growth Equity Fund
- LSV Asset Management
- Rice Hall James & Associates
- Voyageur Asset Management Inc.
- Voyageur Equity Style Fund

International Equity

- Arrowstreet Capital, L.P.
- Voyageur International Fund

Domestic Fixed Income

- Income Research & Management
- PIMCO Diversified Real Return Fund
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- Hancock ForesTree IV & V, L.P.
- New Boston Institutional Fund, L.P. VI
- RREEF America REIT II
- SSgA Tuckerman, Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VII

Alternative Investments

- BlackRock Diversified Private Equity Program III
- Charles River Partnership VII, VIII, IX, X, XI
- DCM Private Equity Fund II
- DN Partners, L.P.
- DN Partners II, L.P.
- New England Growth Fund II, L.P.
- Senior Tour Players Fund I

Consultant

- RogersCasey

Custodian

- Investors Bank & Trust

► 2006 Return	14.57%
► 2006 Target	8.50%
► 2006 Market Value	\$411.0 M
► 2002-2006 (Annualized)	8.51%
► 1985-2006 (Annualized)	10.34%